



Foreign Agricultural Service

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Philippines

Oilseeds and Products

Copra and Copra Products PSD Update

2001

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Report Highlights:

Copra and copra products production will increase in MY00/01 as coconut palms continue to recover from the El Nino drought of 1998. During the year, no copra exports are expected although copra meal and coconut oil (CNO) exports will increase from the previous year's level. Copra products exports will decline in MY01/02 as a result of the expected decline in copra output.

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Manila [RP1], RP

The following copra and copra products PSD tables have been adjusted consistent with the FASTNET feedback numbers for MY99/00 unless otherwise specified. Coconut products exports for both MY99/00 and calendar year 2000 were adjusted based on data from the United Coconut Associations of the Philippines (UCAP).

The upward adjustments in copra production for MY99/00 and MY00/01 were based on similar revisions made by the UCAP for calendar years 2000 and 2001. The increase in copra production basically is the result of rainfall brought about by the La Nina weather disturbance in 1999 which nourished the soil after the El Nino dry spell the year before. Prospects of another dry spell in the second semester of 2001 is expected to affect negatively copra output in the later part of MY01/02 resulting in the decline of copra production compared to the previous year. About 65 percent of total copra production is realized in the second semester of each year.

With higher copra supply, copra crush in MY99/00 and MY00/01 were adjusted upwards consequently resulting in increased copra meal and coconut oil (CNO) production. Copra meal and CNO exports in MY99/00 were pared down, however, due to a global oversupply of vegetable oils and meals. Exports are likely to recover and increase in MY00/01 as global oilseed supply normalizes and prices stabilize. Copra meal and CNO exports are again expected to decline in MY01/02 due to the decline in copra production.

Abundant global supply of vegetable oils in MY99/00 have made CNO export prices decline starting January 2000 (refer to RP0060). Farm gate prices of copra have also plunged to their lowest level in 15 years. The drop will have a major impact on farmer income and consequently on their purchasing power. In response, the industry has proposed the establishment of support buying prices for copra as well the imposition of import restrictions for all vegetable oils and fats including coconut oil. Although copra production will increase in MY00/01, the cutting of coconut trees is expected to continue through MY01/02 contributing to the overall decline in copra output.

Copra spoilage was included during the three year period to reflect the low copra prices which resulted in farmers non-harvesting/drying of coconuts. Copra meal losses was also increased as storage life is normally for 30 days only. For CNO, feed use was adjusted upwards to reflect the vibrant and growing domestic feed industry while local industrial consumption is likely to increase as a result of the growing oleochemical industry. Major international detergent and bath soap manufacturers are shifting to natural alcohol and coco-based fatty acids. Oleochemicals from coconut oil are largely used in the personal care and cosmetics industries which command better prices.

Domestic demand for edible oil, on the other hand, is projected to increase by industry experts at 4 to 5% annually starting MY99/00 through MY01/02 mainly due to the rapidly expanding Philippine population. Bulk of consumption would be coconut oil, particularly, in the rural areas, where these are re-packed in economical sizes and sold for as low as P1. A growing number of households reportedly are slowly shifting to other oils perceived to have low cholesterol content (e.g. canola oil) but these are confined to higher income families.

PSD Table						
Country	Philippines					
Commodity	Oilseed, Copra		(1000 HA) (1000 TREES) (1000 MT)			
	Revised	1999	Prelim.	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Planted	3150	3150	3150	3150	0	3150
Area Harvested	2900	2900	2900	2900	0	2900
Trees	283500	283500	283500	283475	0	283450
Beginning Stocks	5	5	10	185	0	215
Production	2000	2350	2000	2500	0	1900
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2005	2355	2010	2685	0	2115
MY Exports	35	0	50	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	1960	2150	1950	2450	0	1900
Food Use	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	0	20	0	20	0	10
Total Dom. Consumption	1960	2170	1950	2470	0	1910
Ending Stocks	10	185	10	215	0	205
TOTAL DISTRIBUTION	2005	2355	2010	2685	0	2115
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Philippines					
Commodity	Meal, Copra			(1000 MT)(PERCENT)		
	Revised	1999	Prelim.	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	1960	2150	1950	2450	0	1900
Extr. Rate, 999.9999	0.316327	0.318605	0.323077	0.318367	0	0.315789
Beginning Stocks	133	133	158	197	0	192
Production	620	685	630	780	0	600
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	753	818	788	977	0	792
MY Exports	465	441	525	575	0	450
MY Exp. to the EC	300	154	325	300	0	160
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consum.	0	0	0	0	0	0
Feed Waste Dom. Cons.	130	180	145	210	0	170
TOTAL Dom. Consum.	130	180	145	210	0	170
Ending Stocks	158	197	118	192	0	172
TOTAL DISTRIBUTION	753	818	788	977	0	792
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	493	0	685	0	500
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Philippines					
Commodity	Oil, Coconut			(1000 MT)(PERCENT)		
	Revised	1999	Prelim.	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	1960	2150	1950	2450	0	1900
Extr. Rate, 999.9999	0.632653	0.627907	0.633333	0.628571	0	0.626316
Beginning Stocks	14	14	25	174	0	99
Production	1240	1350	1235	1540	0	1190
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1254	1364	1260	1714	0	1289
MY Exports	929	845	940	1250	0	850
MY Exp. to the EC	320	293	350	310	0	280
Industrial Dom. Consum	80	85	75	90	0	95
Food Use Dom. Consum.	210	240	220	250	0	255
Feed Waste Dom. Cons.	10	20	10	25	0	25
TOTAL Dom. Consum.	300	345	305	365	0	375
Ending Stocks	25	174	15	99	0	64
TOTAL DISTRIBUTION	1254	1364	1260	1714	0	1289
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	980	0	1220	0	900
Calndr Yr Exp. to U.S.	0	400	0	450	0	450